

## Questions and Answers

### Hurricane Katrina – Eligible Costs for Emergency Sheltering Declarations (last revised 9/26/05; 1200)

---

The following Questions and Answers are intended to supplement the information provided in FEMA's Disaster Specific Guidance #2 (DSG 2), Eligible Costs for Emergency Sheltering Declarations, Hurricane Katrina, dated September 9, 2005. DSG 2 should be reviewed for further information.

---

#### 1) Grant Assistance - Administrative

- a) When the State is performing the role of the primary Public Assistance Program applicant (PA applicant), how are the costs of entities performing the work being reimbursed?
  - State agencies and local governments can be PA applicants themselves as subgrantees to the state
  - Reimbursement for PA applicant force account labor (full-time, part-time, temporary, etc.) is governed by the PA regulations that apply to Category B funding (limiting labor costs to overtime for regular employees)
  - Work performed by contract will be reimbursed in accordance with the terms of the contract
- b) Can Private Nonprofit (PNP) organizations that shelter evacuees be reimbursed as an applicant under the PA Program?
  - Only state and local governments can be reimbursed as applicants under the PA Program for sheltering evacuees. However, PNPs can be reimbursed for eligible costs through a state or local government, if a written statement from an eligible applicant is provided verifying that the PNP provided services on its behalf and the expenses are documented. The written agreement may be completed after the sheltering activities have been initiated. Further, the PA applicant must show that the PNP was included in its sheltering plan.
- c) Is a State/applicant eligible for PA funding if the state only receives **self-evacuees**?
  - Yes, eligible costs will be funded. The method of evacuation does not impact the eligible cost for shelter. Only the eligible PA applicants will be reimbursed for eligible sheltering costs. Individual families are not eligible to receive funding for the costs of housing evacuees.

- d) Do **leases** have to be between the applicant (state or local government) and the lessor?
- Leases have to be between the PA applicant or its agent (i.e. a PNP or contractor) and the lessor. PNPs acting as the agent for an applicant must meet the requirements discussed above in 1b.
  - If an evacuee enters directly into a lease agreement, the costs will not be eligible for reimbursement. Individuals cannot serve as contractors to a PA applicant.
- e) How will the cost basis for PA grant items be audited?
- Normal audit procedures will be followed. PA applicants must document all requests for reimbursement. OMB requires grant recipients to maintain financial and program records for three years following submittal of the final expenditure report.
- f) Can Time and Materials contracts be used for contracting services for interim shelter management?
- Yes. Service contracts are generally procured on a time and materials basis. However, the scope of services and level of effort should be well defined and monitored for compliance.
- g) Will individuals who receive Public Assistance (PA) funds under the emergency sheltering funding be eligible for **Individual Assistance (IA) funds** later?
- An individual's eligibility for IA programs is not affected by receiving sheltering assistance funded through the PA program.
- h) Who is responsible for notifying evacuees that their homes are scheduled to be demolished?
- State and local governments are responsible for notifying evacuees of anticipated or scheduled demolitions.

## 2) Sheltering Eligibility

- a) When does the **12-month period** for the interim shelter program begin?
- The 12-month period begins when the lease is signed by an eligible applicant or agent thereof.
- b) What costs may be reimbursed to the eligible PA applicant for the transportation **of evacuees**?
- Only eligible transportation costs incurred by an eligible PA applicant will be reimbursed.
  - Transportation of the evacuee to the host state is an eligible.
  - If the host state is not able to accommodate the sheltering of an arriving evacuee due to capacity issues, the cost to transport the evacuee to an alternate host state is eligible.

- The cost to transport an evacuee from one shelter to another within the same host state is not eligible unless the move is made necessary due to capacity issues at the original shelter.
  - Transportation costs for the evacuee to place of work or for other general purposes while in host state is not an eligible cost.
  - Transportation costs of the evacuee to be transported back to their point of origin are eligible. If the evacuee chooses to instead, relocate to another location, transportation costs to this location are eligible.
  - Transportation to return evacuees home to be present for an IA or insurance home inspection is not eligible.
  - Reimbursement of self evacuees for their transportation home using their own vehicles is not eligible.
- c) How will the reasonable costs for the purchase of **furniture** be determined? How will costs be reimbursed? Will salvage be taken at the completion of use?
- The PA applicant may obtain three quotes from local vendors to establish fair market value for purchase of furniture and to support the reasonableness of costs, or
  - The PA applicant may use the list developed by the National Coordination Center at Mt. Weather for guidance on allowable costs. Specific guidance on this approach is currently under development. Mid-range prices for a particular state should be requested via e-mail to [FEMA-NPSC-Coordination-Team@dhs.gov](mailto:FEMA-NPSC-Coordination-Team@dhs.gov).
  - The current fair market value should be determined at the time the furniture, and other equipment and supplies, are no longer needed for disaster operations, and will be deducted from the eligible cost of the purchase. The fair market value is the value of equipment and supplies, including furniture, determined by selling them in a competitive market or researching advertised prices for similar items on the used market. The furniture will be the property of the PA applicant.
  - If furniture is purchased in bulk, the cost for storage of the items until shelter units are established is eligible.
- d) Are the costs for additional **teachers** for evacuated students eligible?
- No, these costs are the responsibility of the Department of Education. The same holds true for the purchase of books.
- e) Are the costs of additional police for **traffic control** eligible?
- Yes, the overtime costs for an eligible PA applicant's own forces and all labor costs for contracts would be eligible as long as those costs are incurred while engaged in eligible activities.

- f) What costs are eligible for the **medical care of animals** in sheltering states?
- If the receiving state requires a vaccination for animals coming into the state, those costs would be eligible for health and safety reasons. Beyond that, no treatment is eligible.